

ASSEMBLY BILL

No. 50

Introduced by Assembly Member Hill

December 6, 2010

An act to add Sections 17131.3 and 18154 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 50, as introduced, Hill. Income taxes: gross income: exclusion: capital gains: exclusion: San Bruno gas explosion.

The Personal Income Tax Law defines gross income as all income from whatever source derived, unless specifically excluded.

This bill would exclude from the computation of gross income any compensation provided by the Pacific Gas and Electric Company to a victim of the natural gas transmission line explosion on September 9, 2010, as provided.

The Personal Income Tax Law provides for a gain or loss upon the disposition of property.

This bill would exclude from the computation of gross income any gain from the compulsory or involuntary conversion of property as a result of the natural gas transmission line explosion on September 9, 2010, in San Bruno, California, as provided.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 17131.3 is added to the Revenue and
2 Taxation Code, to read:

3 17131.3. (a) Notwithstanding any other law to the contrary,
4 for purposes of this part the natural gas transmission line explosion
5 on September 9, 2010, in San Bruno, California shall be treated
6 as a qualified disaster under Section 17131, within the meaning
7 of Section 139 of the Internal Revenue Code, and any
8 compensation provided by Pacific Gas and Electric Company to
9 a victim of this disaster shall be treated as a qualified disaster
10 relief payment under Section 17131, within the meaning of Section
11 139 of the Internal Revenue Code.

12 (b) This section shall apply to any compensation received on
13 or after September 9, 2010.

14 SEC. 2. Section 18154 is added to the Revenue and Taxation
15 Code, to read:

16 18154. Notwithstanding any other law to the contrary, gross
17 income shall not include any gain from the compulsory or
18 involuntary conversion of property as a result of its destruction,
19 in whole or in part, by the natural gas transmission line explosion
20 on September 9, 2010, in San Bruno, California.

21 SEC. 3. This act provides for a tax levy within the meaning of
22 Article IV of the Constitution and shall go into immediate effect.